

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Call to Order: By **CHAIRMAN DONALD L. HEDGES**, on February 3, 2003
at 8:10 A.M., in Room 102 Capitol.

ROLL CALL

Members Present:

Rep. Donald L. Hedges, Chairman (R)
Sen. Royal Johnson, Vice Chairman (R)
Sen. John Esp (R)
Rep. Eve Franklin (D)
Rep. Dave Lewis (R)
Sen. Bea McCarthy (D)

Members Excused: Rep. Rosalie (Rosie) Buzzas (D)

Members Absent: None.

Staff Present: Mark Bruno, OBPP
Pam Joehler, Legislative Branch
Diana Williams, Committee Secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.
All tape counter notations refer to the material
immediately preceding.

Committee Business Summary:

Hearing & Date Posted: Montana State University - 3 Units
and College of Technology,

Executive Action: None

**HEARING ON MONTANA STATE UNIVERSITY-3 UNITS AND COLLEGE OF
TECHNOLOGY**

Goeff Gamble, President, Montana State University (MSU), indicated that there are actually four educational units and several agencies. He restated some of the themes of the four campuses of MSU. Higher education is an investment for the students and for the state. There is no state or institution in the nation that has enough money to do all the things that it would like to do. It is important to insure that the available resources are allocated to the right priorities. One way to stretch resources is to form partnerships between campuses and institutions and public and private sector. In the next biennium they will be looking for a way to create a pool of campus sustainability grants. There is a gap between the fiscal 2000 base and the proposed 2004 executive budget of over \$15 million. Each of the campuses will discuss their portion of that amount.

Overview of MSU-Bozeman:

President Gamble said that their priorities are student success, improved retention rates, fiscal responsibility and accountability, and making decisions in a data-rich environment. He provided a pamphlet on the points of excellence for MSU-Bozeman.

EXHIBIT (jeh23a01)

President Gamble focused on budget issues for the remainder of his testimony. He said that in 2000 the state funding was about \$36.5 million and resident enrollment was just over 7,600 students. In fiscal year 2004 the projected resident enrollment will be about 8,150. The additional students and the rising costs of salary increases and other expenses is putting a strain on their present budget.

MSU-Bozeman's share of the \$15 million gap is about \$10 million. Tuition would have to be increased by 11 3/4% each year of the biennium just to bridge the \$10 million gap. The Board of Regents gives direction on how much tuition can be raised and is based on how much is allotted from the legislature. With the added students, and associated costs, a decrease in budget will be extremely difficult to absorb without direct impact on cost, access or quality. Students choose MSU because of the quality education provided. The CEO of each campus will provide information.

{Tape: 1; Side: A; Approx. Time Counter: 1.2 - 15.1}

Montana State University-Billings:

Ron Sexton, Chancellor, explained some of the awards received by MSU-Billings and some of the grants that have been received. One in particular was a grant to explore fuel cell applications. He went over the information submitted in Exhibit 2. The information includes budget figures and graphs. He indicated the budget cuts will have significant impacts.

EXHIBIT(jeh23a02)

{Tape: 1; Side: A; Approx. Time Counter: 15.1 - 23.1}

Bruce Parker, Chairman, MSU-Billings Foundation, said that progress is being made in making a partnership between the Universities and the business community. He shared some of the partnerships that have been successful.

{Tape: 1; Side: A; Approx. Time Counter: 23.1 - 28.6}

Kathy Jenson, Student, MSU-Billings, said that access to computer online courses is a great asset. Higher education will provide the tools for citizens to be more productive; families to prosper; and communities to grow. Access to affordable education is key to personal, professional and economic success. She asked that the Committee maintain the current level of funding for the Montana University System.

{Tape: 1; Side: A; Approx. Time Counter: 28.6 - Tape: 1; Side: B, 2.1}

Montana State University-Northern, Havre:

Alex Capdeville, Chancellor, shared information included in the legislative report (Exhibit 3).

EXHIBIT(jeh23a03)

He explained the partnerships that Northern has with the business community. MSU-Northern is looking at providing a break in tuition for Canadian students to attract them to Northern. They are considering adding a plumbing and heating program. The proposed cuts would equate to a 15% tuition increase. This would devastate their programs.

{Tape: 1; Side: B; Approx. Time Counter: 2.1 - 15.6}

Montana State University-Great Falls, College of Technology:

Mary Moe, Dean, went over the information in the handouts, (Exhibit 4, 5, 6, and 7).

EXHIBIT(jeh23a04)

EXHIBIT(jeh23a05)

EXHIBIT(jeh23a06)

EXHIBIT(jeh23a07)

She shared that the college no longer serves as a technical college, but a community college. The proposed cut is \$883,000 or 14% of their budget. The cuts would require programs to be cut and students to be turned away.

{Tape: 1; Side: B; Approx. Time Counter: 15.6 - 24.5}

Rick Eversing, President, Great Falls Chamber of Commerce, said that the College of Technology is important to their community and to economic development. He indicated that the community has educated people but not necessarily trained people. They don't have unemployment but they have underemployment. He encouraged that the committee fund education needs.

{Tape: 1; Side: B; Approx. Time Counter: 24.5 - 27.4}

Sara Anderson, Student Body President, MSU-Great Falls, College of Technology, appealed to the committee to consider the impacts that increased tuition would have on students at the College of Technology. She said that presently affordability verses accessability is seriously affecting the education.

{Tape: 2; Side: A; Approx. Time Counter: 0.3 - 1.2}

Doug Kaercher, County Commissioner, Hill County, spoke on behalf of MSU-Northern, Havre. The main economic development is to educate citizens. He encouraged the committee to fund the Universities at an adequate level in Montana.

{Tape: 2; Side: A; Approx. Time Counter: 1.2 - 3}

Winter Rex, student, said that she is a member of the Black Feet nation and a full-time student at MSU-Northern, Havre. She chose Northern because of its proximity to her home and the high Native American enrollment. Northern also offered her an affordable education. Education is the answer for people who want to rise above poverty. She plans to take the knowledge gained at MSU-Northern to go on to law school.

{Tape: 2; Side: A; Approx. Time Counter: 3 - 4.7}

Will Hammerquist, MSU-Bozeman, said that he is testifying on behalf of the Associated Students. He indicated that the population of Montana is getting older. He said that, although many people are coming to Montana, many people are leaving. Those who are leaving are the young people who are unable to find quality jobs. Higher education is economic development.

{Tape: 2; Side: A; Approx. Time Counter: 4.7 - 12.1}

Trevor Blyth, Student Body President, MSU-Bozeman, said that there were many students present who have traveled to gain the committee's support. He said that the budget cuts will cause the quality of education to suffer. He provided a packet of letters from students and parents.

EXHIBIT(jeh23a08)

{Tape: 2; Side: A; Approx. Time Counter: 12.1 - 13.3}

Public Testimony:

Jeremy Seidlitz, Student Lobbyist, Associated Students, MSU-Billings and MSU-Northern, said that students have challenges. He said that the fast food chain, Hardee's, is one of the top fifty private employers in the state. He said that average wages in the state in 1998 was \$22,657. According to the Commissioner of Higher Education office, the average student loan debt is \$21,400. At 4% interest over ten years it would cost \$216.66 per month to pay back the loan. He asked that the committee help Montana students stay in Montana.

{Tape: 2; Side: A; Approx. Time Counter: 15.8 - 18.6}

Carla Amerson, MSU-Billings nontraditional student, said that she chose to return to college after 25 years to provide for her family. She said that she is taking as many credits as she can to finish her college career a year earlier due to the rising cost of tuition. She said that educators in Montana are some of the best in the nation. It is important to allow people of Montana the opportunity to take advantage of our quality education at an affordable cost.

{Tape: 2; Side: A; Approx. Time Counter: 18.6 - 23.2}

Adam Lucido, Senator, Associated Students, MSU-Billings, said that the University is remarkable. State funding for MSU-Billings between 1990 and 2002 dropped 16.5%. There was also a

17% increase in tuition. The main question to ask is if the cost justifies what the institution has to offer students. With the increase in tuition he will be considering attending Berkeley. He asked that the committee reconsider the funding for the universities of Montana.

{Tape: 2; Side: A; Approx. Time Counter: 23.2 - 28.2}

Ronna Butler, MSU-Billings, said that at the end of this semester she will owe over \$30,000 in school loans. She urged the committee to consider funding the universities at an appropriate level.

{Tape: 2; Side: A; Approx. Time Counter: 28.2 - 30}

{Tape: 2; Side: B; Approx. Time Counter: 0 - 2.8}

Alexis Urbaniak, college student, said that the increase in tuition will cause her to live on Top Ramon for the next seven years. She asked the committee to consider the students when they vote on the funding for the universities.

{Tape: 2; Side: B; Approx. Time Counter: 2.8 - 3.7}

Dan Gelan, senior, MSU-Northern, said that he is also President of the Montana Associated Students. He asked that there be no more cuts.

{Tape: 2; Side: B; Approx. Time Counter: 3.7 - 5.3}

Erik Burke, Montana Education Association-Montana Federation of Teachers (MEA-MFT), said that he is representing faculty members. We should all be proud of what is done by our university system in Montana. At this time of budget cuts, there are also cuts in scholarship aids. The \$15 million gap is deceiving. The Governor's budget has also limited all present law adjustments which expands the \$15 million gap to \$33.8 million. He asked that the legislature get back to the 2002 levels and look to revenue sources to help higher education meet its obligations.

{Tape: 2; Side: B; Approx. Time Counter: 5.3 - 9.6}

Questions from Committee Members and Responses:

REP. LEWIS asked Mr. Lucido if he was aware of fees in addition to tuition to attend Berkeley.

Mr. Lucido said that he was aware of the fees and would prefer to attend school in Montana, but the costs here are nearing what it would cost to attend Berkeley.

SEN. ESP asked President Gamble if a bill had been drafted to allow for flexibility within the system to adapt to the decrease in state funding.

President Gamble said that MSU would like to have more flexibility in setting tuition and could provide a list of ideas to compensate for the decrease in funding.

SEN. ESP said that he would be interested in the list of ideas and asked President Gamble to expand on what he saw as the duty of the institution.

President Gamble said that the contrast between the MSU campuses is wonderful. All of the campuses educate and discover new knowledge. These have economic benefit to the region and to the state. Education is each students' future and the discovery of new knowledge can provide economic gain for the State. He said that a way will be found to make things work. Any investments made in higher education will pay off handsomely for the future of the state.

SEN. ESP asked what was being doing at MSU to address the drop in scholarships.

President Gamble said that, from a national perspective, our tuition is still very competitive. He said that he has initiated a scholarship program.

SEN. JOHNSON thanked the folks who had testified and asked Will Hammerquist if he could testify at the Board of Regents the same as he did here today.

Mr. Hammerquist thanked SEN. JOHNSON and said that he could.

SEN. JOHNSON asked Dean Moe to clarify her previous testimony about programs being reduced or cut.

Dean Moe said that the program cuts are based on what is important, not necessary those programs that are new. What is looked at is what is the greatest need within the community, what is the level of investment that has been made in the program to date, and what are the agreements that have been made with partners on other campuses.

SEN. ESP asked about the roles in a shared campus with other institutions.

Dean Moe said that in 1997, when the then Vo-Tech was being renovated, the college welcomed to their campus the MSU College

of Nursing. They also brought to their campus the programs in Great Falls that were being operated by MSU-Northern. That included nursing, business, education, and computer programs. They have also housed MSU fire extension services. The budgets are separate. It has been a good way to bring educational opportunities to Great Falls.

CHAIRMAN HEDGES said that there are three options: 1) reduce funding; 2) shift funding; 3) increase taxes. He asked Mr. Parker if it is "better to shave a little gold from the golden egg or to pluck some feathers from the goose that laid it?"

Mr. Parker said that we live in a world of alternative resources. He said that he feels the state needs to identify some new revenue sources.

SEN. JOHNSON asked Chancellor Capdeville about the nursing grant.

Chancellor Capdeville said that it is a two-year grant. He said that the college is working with the tribal colleges to encourage students to go into nursing. It is not just a recruitment grant, but it also is to provide services.

SEN. ESP asked President Gamble about the "Paving Over Paradise" study. He read a part of a letter from Lawrence Stephenson (Exhibit 9).

EXHIBIT (jeh23a09)

President Gamble said that there were some profound misunderstandings. He said that he put out a set of guidelines that will help in the future. He said that universities get involved in controversial and politically sensitive issues. Knowing that, they need to be asking if the data used in studies are accurate. If the data is inaccurate or the methodology wrong, they need to publicly acknowledge it and issue a revised study with corrected data and methodology.

There were more questions regarding policy issues and accepted practices. **President Gamble** indicated that he wasn't sure that there needs to be a specific policy but certainly it should be the practice of the university to address issues as soon as possible.

He said it is important the reports are as accurate as possible.

{Tape: 2; Side: B; Approx. Time Counter: 9.6 - Tape: 3; Side: B; 4.5}

ADJOURNMENT

Adjournment: 11:00 A.M.

REP. DONALD L. HEDGES, Chairman

DIANA WILLIAMS, Secretary

DH/DW

EXHIBIT (jeh23aad)